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1. WEST GERMAN CABINET REPORTEDLY REDUCES ARMED FORCES TARGET

25X1A

[REDACTED] The American embassy in Bonn has learned from reliable sources in the West German Defense and Foreign Ministries that the cabinet has approved a firm interim force ceiling of only 343,000 men by 31 March 1961.

The army, instead of concentrating on building seven combat-ready divisions at the earliest date, would have 200,000 men in 12 divisions, all about 70 percent of strength. The air force would have 100,000, and the navy 20,000 with the remainder being in support units.

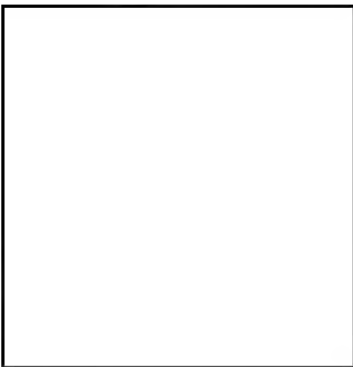
The embassy doubts that under this schedule an effective German defense contribution would be ready at the beginning of 1959. The total cost of this plan would be \$12.85 billion and would require the Germans to increase their defense budget during 1958-61 by about \$1.3 billion a year above the present annual level of \$2.1 billion.

Comment

Domestic opposition to rearmament has caused the government to modify plans which in 1954 called for 500,000 men by 1 January 1959. The West Germans are not only loath to make the economic sacrifice for rearmament, but dislike a build-up at a time when they expect other nations will be cutting back their forces. Defense Minister Strauss has refused to reveal his build-up plan beyond the end of 1957, when he expects 135,000 men to be in uniform in contrast to the 270,000 men originally envisaged by his predecessor, Blank.

2. OPPOSITION ATTACK ON RHEE

25X1A



The strong attack on South Korean president Rhee in the assembly on 25 January is among the "boldest" ever made by Rhee's opposition, according to the American embassy in Seoul, and has created a "potentially explosive situation" which may lead to a tightening of police controls. Reports that police are already organizing "spontaneous" pro-Rhee demonstrations suggest the possibility of vigorous action against Rhee's detractors.

The reading of a resolution of "warning" to Rhee, intended as an opposition propaganda move, resulted in acrimonious exchanges which forced the assembly to adjourn. The opposition's charges against Rhee included violation of the constitution and laws, interference in elections and with judicial processes, responsibility for "rotten" personnel administration, and illegal fiscal operations which have benefited a privileged group.

The attack on the administration comes at a time when it is embarrassed by the involvement of the national police in the attempted assassination of the vice president.